

**TASMANIAN NETWORKS PTY LTD**

ACN 167 357 299

**and**

**[Insert User name]**

ACN [insert]

**ASSET DEVELOPMENT AGREEMENT**

**CONNECTION ASSETS FOR [INSERT FACILITY NAME]**

**ANNUITY PAYMENT TEMPLATE**

## INDEX

<b>1. DEFINITIONS AND INTERPRETATION .....</b>	<b>1</b>
1.1 Definitions.....	1
1.2 Interpretation.....	12
1.3 Headings, italics and bold type .....	13
1.4 Terms defined in the Rules.....	13
1.5 Standards and indexes .....	13
<b>2. TERM AND TERMINATION .....</b>	<b>14</b>
2.1 Conditions precedent.....	14
2.2 Satisfaction.....	14
2.3 Non satisfaction.....	14
2.4 Term.....	14
2.5 Effect of termination .....	15
2.6 Conditions Subsequent.....	15
<b>3. THE WORKS.....</b>	<b>15</b>
3.1 General.....	15
3.2 Variations initiated by TasNetworks.....	16
3.3 Variations requested by User .....	17
3.4 Effect of variation .....	18
3.5 Variations by Agreement .....	18
<b>4. OBLIGATIONS OF TASNETWORKS .....</b>	<b>19</b>
4.1 Performance of the works .....	19
4.2 Procurement of construction works.....	19
4.3 Project management.....	19
4.4 Easement Acquisition.....	19
4.5 Approvals.....	19
4.6 Reporting.....	20
4.7 Principal Contractor .....	20
<b>5. OBLIGATIONS OF USER.....</b>	<b>20</b>
5.1 General.....	20
5.2 Access Rights.....	20
5.3 User’s Facility .....	22
5.4 Provision of Plans and Information.....	22
5.5 Approvals .....	23
5.6 IWCA.....	23

<b>6. COMPLETION OF WORKS</b> .....	<b>24</b>
6.1 Timing for works.....	24
6.2 Practical completion process.....	24
6.3 Liquidated damages for late practical completion.....	24
6.4 Charges payable by User where TasNetworks' assets completed but facility not ready to connect 25	
6.5 Early Completion Bonus.....	26
<b>7. EXCEPTED RISKS</b> .....	<b>26</b>
7.1 Extensions of time and Additional Costs.....	26
<b>8. FORCE MAJEURE</b> .....	<b>29</b>
8.1 Suspension of obligations by either party.....	29
8.2 Notice obligations.....	29
8.3 Mitigation.....	30
8.4 Amendment or termination of agreement.....	30
8.5 Excepted risk.....	31
<b>9. SECURITY</b> .....	<b>31</b>
<b>10. INVOICING AND PAYMENT</b> .....	<b>33</b>
10.1 Payment.....	33
10.2 GST.....	33
10.3 Manifest error.....	35
10.4 Late or non-payment.....	35
10.5 Interest.....	35
10.6 Survival.....	36
<b>11. COMPLIANCE TESTING AND COMMISSIONING</b> .....	<b>36</b>
11.1 Test Connection.....	36
11.2 Commissioning.....	37
<b>12. RISK AND INSURANCE</b> .....	<b>37</b>
12.1 TasNetworks insurance.....	37
12.2 User insurance.....	38
12.3 Contractors insurance.....	39
12.4 Required insurers and policies.....	39
12.5 Evidence.....	39
<b>13. REPRESENTATIONS AND WARRANTIES</b> .....	<b>39</b>
13.1 Representations and warranties.....	39
13.2 Approvals.....	40

13.3	Continuing representations and warranties.....	40
13.4	Separate representations and warranties.....	40
<b>14.</b>	<b>LIABILITY .....</b>	<b>40</b>
14.1	Consequential loss.....	40
14.2	Aggregate liability cap .....	41
14.3	Aggregate liquidated damages cap.....	42
14.4	Proportionate Liability .....	42
<b>15.</b>	<b>DEFAULT PROVISIONS.....</b>	<b>42</b>
15.1	Breach of the agreement.....	42
15.2	Notice of breach .....	43
15.3	Repeat of breach.....	43
15.4	Effect of insolvency.....	44
15.5	Termination of <i>IWCA</i> .....	44
15.6	Asset Removal.....	44
15.7	Rights, liabilities and obligations upon termination .....	44
<b>16.</b>	<b>DISPUTE .....</b>	<b>45</b>
16.1	Disputes.....	45
16.2	Application of Rules provisions .....	45
16.3	All other disputes.....	45
16.4	Survival .....	46
<b>17.</b>	<b>CONFIDENTIALITY .....</b>	<b>46</b>
17.1	Non-disclosure.....	46
17.2	Exceptions .....	46
17.3	Enforcing confidentiality undertaking.....	47
17.4	Provision of information to TasNetworks' contractors .....	47
17.5	Survive expiration .....	47
<b>18.</b>	<b>ASSIGNMENT AND OTHER DEALINGS .....</b>	<b>48</b>
18.1	TasNetworks.....	48
18.2	Legislative assignments.....	48
18.3	User .....	48
18.4	Change of Control .....	49
18.5	Assignment as Security .....	49
18.6	Costs of assignment or novation.....	49
<b>19.</b>	<b>NOTICES .....</b>	<b>50</b>
19.1	Form.....	50
19.2	Service.....	50

19.3	Change of contact details.....	50
<b>20.</b>	<b>MISCELLANEOUS .....</b>	<b>50</b>
20.1	Waiver .....	50
20.2	Entire agreement.....	50
20.3	Amendment of agreement .....	51
20.4	Severability.....	51
20.5	No precedent .....	51
20.6	No third party rights .....	51
20.7	Governing law .....	51
20.8	Submission to jurisdiction.....	51
20.9	Service of process.....	51
20.10	Counterparts .....	52
<b>SCHEDULE 1</b>	<b>WORK .....</b>	<b>54</b>
1	TASNETWORKS' WORKS .....	54
2	EXCLUDED WORK.....	54
<b>SCHEDULE 2</b>	<b>CONNECTION CHARGE.....</b>	<b>55</b>
<b>SCHEDULE 3</b>	<b>CONTACT DETAILS .....</b>	<b>56</b>
<b>SCHEDULE 4</b>	<b>ELECTRICITY INFRASTRUCTURE EASEMENT .....</b>	<b>57</b>
<b>SCHEDULE 5</b>	<b>SITE PLAN.....</b>	<b>59</b>
<b>SCHEDULE 6</b>	<b>APPROVALS .....</b>	<b>60</b>
<b>SCHEDULE 7</b>	<b>ASSUMPTIONS.....</b>	<b>61</b>
<b>SCHEDULE 8</b>	<b>CONDITIONS SUBSEQUENT .....</b>	<b>62</b>

**AGREEMENT** made the                      day of                      [insert]

**PARTIES    1.    Tasmanian Networks Pty Ltd**

ACN 167 357 299

of 1-7 Maria Street, Lenah Valley, Tasmania, 7008

(TasNetworks)

**2.    [insert]**

ACN [insert]

of [insert]

(User)

**RECITALS**

- A.    User intends to construct the *facility*.
- B.    The *facility* comprises a [describe facility, e.g. wind farm] located at [insert] in Tasmania.
- C.    To enable the export of electricity from the *facility* User will require *connection* to TasNetworks' *transmission network*.
- D.    To facilitate the required *connection* to TasNetworks' *transmission network*, TasNetworks has agreed to [acquire easements (to be confirmed)] and build the *TasNetworks assets* to enable User's *connection* to TasNetworks' *transmission network*, subject to and in accordance with this agreement.

**THE PARTIES AGREE**

---

**1.    DEFINITIONS AND INTERPRETATION**

**1.1    Definitions**

In this agreement, unless the contrary intention appears:

*agreed capability* has the meaning as defined in the *User connection agreement*;

*approvals* means any approval, authorisation, consent, exception, licence, permit, determination, certificate, registration or waiver of or from any *Authority*, including any renewal or variation of any such approval;

**associate** means, in relation to a party:

- (a) a *related body corporate* of the party;
- (b) an officer, employee or agent of the party; and
- (c) any *site based contractor* of the party;

**Australian Bank** means an “Australian bank” as defined in the *Corporations Act 2001* (Cth) which is incorporated in Australia;

**Authority** means the Crown, any government or regulatory department, body, instrumentality or entity, Minister of the Crown, agency or other authority (including the *AEMC*, the *AER* and *AEMO*), or any body which is the successor to the administrative responsibilities of such department, body, instrumentality, entity, Minister of the Crown, agency or other authority (but does not include the parties unless in the case of TasNetworks it is acting as *System Operator*);

**business day** means any day except a Saturday, Sunday or public holiday in Hobart;

**cash rate** means the cash rate (also known as the interbank overnight rate), recorded to two decimal places, as set by the Reserve Bank of Australia, provided that if the **cash rate** cannot be so determined, then **cash rate** will be such replacement interest rate as is nominated by TasNetworks acting reasonably;

**change in imposts** means the imposition of a new **impost** or a change in the rate or amount of an existing **impost**;

**change of control** means that a change occurs in the persons or entities which directly or indirectly:

- (a) control the composition of the board of a party; or
- (b) are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that may be cast at a general meeting of a party; and/or
- (c) hold more than one-half of the issued share capital of a party (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital),

but excludes any such change occurring as a result of a change or changes in ownership of the issued shares in an entity listed on the Australian Securities Exchange;

**commencement date** means the date 10 **business days** after all conditions precedent in clause 2.1 have been satisfied or waived;

**conditions precedent deadline** has the meaning given in clause 2.2;

**connection charge** means the “connection charge” specified in Schedule 2;

**contestable IUSA components** means the Identified User Shared Asset components constructed by the **IUSA Provider** that meet the definition of **contestable IUSA components** in the **NER** and are described in the **IWCA**;

**default event** has the meaning given at clause 15.1;

**defaulting party** has the meaning given at clause 15.1;

**date for practical completion** means [insert] after the **commencement date**, as adjusted in accordance with this agreement;

**date of practical completion** means the date on which **practical completion** of the **TasNetworks assets** is achieved, as stated in the notice under clause 6.2(a)(ii), or deemed to be achieved under clause 6.4(e);

**dispute** means any dispute or difference of opinion between the parties or the absence of agreement between them about a matter under or arising out of this agreement;

**electricity infrastructure** means:

- (a) with respect to User, the **facility**; and
- (b) with respect to TasNetworks, the **TasNetworks assets** and any part of the **transmission system** which will be used to provide services under the **User connection agreement**;

**execution date** means the date this agreement is executed by the last party to do so;

**excepted risk** means any of the following events:

- (a) a change to an **approval** or the conditions of an **approval** after the **execution date** which:
  - (i) TasNetworks could not reasonably have anticipated at the **execution date**; and
  - (ii) was not required as a result of a variation to the **works** initiated by TasNetworks, unless User agrees to treat the variation as an **excepted risk**;
- (b) a new **approval** is granted to TasNetworks after the **execution date** which:
  - (i) TasNetworks could not reasonably have anticipated at the **execution date**; and
  - (ii) was not required as a result of a variation to the **works** initiated by TasNetworks, unless User agrees to treat the variation as an **excepted risk**;

- (c) failure or inability to obtain any **approval** (whether required to be obtained by TasNetworks or User) by the date assumed in the **scope of work**;
- (d) failure or inability to obtain any easement, access right, licence or property right (whether required to be obtained by TasNetworks or User) by the date assumed in the **scope of work**;
- (e) any of TasNetworks' assumptions as set out in Schedule 7, the **scope of work** or specified elsewhere in this agreement as an assumption are found or determined after the **execution date** to be incorrect or inaccurate;
- (f) any claim or application for a determination of native title under the *Native Title Act 1993* (Cth) in respect of the **site**;
- (g) access to the **site** (or any other area of land upon which TasNetworks is to undertake the **works**) is hindered or delayed subject to TasNetworks using reasonable endeavours to obtain such access;
- (h) discovery of minerals, fossils, articles or objects of antiquity or of anthropological or archaeological interest, treasure trove, coins and articles of value at or proximate to the **site** or on or proximate to any other area of land upon which TasNetworks is to undertake the **works**;
- (i) a breach by User of this agreement;
- (j) any act, omission or delay of User or its **associates** that is not permitted by this agreement;
- (k) a variation to the **works** required by User and agreed to by TasNetworks;
- (l) an **outage event** occurs;
- (m) **inclement weather** (in excess of any allowance for **inclement weather** assumed in the **scope of work**);
- (n) a delay in connecting, testing and commissioning of the **facility** by User (as compared to the dates set out in the **scope of work** or such other dates agreed by the parties), which results in TasNetworks not being able to carry out the **TasNetworks Commissioning**;
- (o) an event which requires an urgent emergency response from TasNetworks, including the redeployment of contractors;
- (p) a change in an existing **Law**, or introduction of a new **Law**, in each case after the **execution date**, which TasNetworks could not have reasonably anticipated at the **execution date**;

- (q) a ***change in imposts*** after the ***execution date*** which:
  - (i) applies in relation to the ***works***, the ***TasNetworks assets*** or the resources used to perform the ***works***; and
  - (ii) TasNetworks could not have reasonably anticipated at the ***execution date***;
- (r) the discovery of a ***latent condition*** after the ***execution date***;
- (s) a ***force majeure event***, in accordance with clause 8.5;
- (t) any error, inaccuracy or inadequacy in ***User supplied information*** that results in any delay or disruption to the ***works***, change to the ***works*** or an increase in the cost of the ***works***;
- (u) any suspension of the ***works*** by TasNetworks in accordance with this agreement;
- (v) any delay or disruption to the ***works*** caused by User or its ***associates***;
- (w) the conditions precedent in clause 2.1 not being satisfied by the ***conditions precedent deadline*** in clause 2.2 (and excluding any extension to that date under clause 2.3);
- (x) any failure by User to undertake any ***works*** or other activity set out in the ***scope of work*** by the dates or within the timeframes set out in the ***scope of work***;
- (y) any variation by User to the design or configuration of the ***facility*** as compared to the design and configuration set out in the ***scope of work***;
- (z) a requirement imposed by ***AEMO*** or another ***Authority*** to install additional protection or control systems or other additional equipment not contemplated by the ***scope of work***;
- (aa) any shortages of labour, materials or equipment (not caused by TasNetworks' breach of this agreement or negligence (including a failure to source labour, materials or equipment in accordance with *good electricity industry practice*));
- (bb) any manufacturing defect in equipment sourced by TasNetworks to undertake the ***works*** not caused by TasNetworks' breach of this agreement or negligence;
- (cc) any mechanical or electrical breakdown of TasNetworks' ***electricity infrastructure*** not caused by TasNetworks' breach of this agreement or negligence;

- (dd) any damage to the **works** during the course of their construction not attributable to TasNetworks' or its **associates**' failure to comply with *good electricity industry practice*;
  - (ee) order or direction of any **Authority** which delays the **works** or requires the application of additional resources to the **works** unless arising from TasNetworks or its **associates** failure to comply with *good electricity industry practice*; and
  - (ff) any other event or circumstance which under this agreement expressly entitles TasNetworks to claim for delay or extension of the **date for practical completion**,
  - (gg) any delay (including failing to complete the **contestable IUSA components**) by the relevant deadline dates set out in the works program (as defined under the **IWCA**) by the **IUSA Provider** or User (as defined under the **IWCA**) under the **IWCA** whether caused by breach, force majeure or otherwise;
  - (hh) any failure (whether caused by breach, force majeure or otherwise) by the **IUSA Provider** or User (as defined under the **IWCA**) to comply with the **IWCA**;
  - (ii) a suspension of works issued by TasNetworks in accordance with clause [22] of the **IWCA**; and
  - (jj) any variation made in accordance with clause [6] of the **IWCA**,
- in each case, except to the extent caused or contributed to by breach of this agreement by TasNetworks or its **associates** or negligence of TasNetworks or its **associates**;
- facility** means User's proposed [insert facility type] at [insert location] in Tasmania;
- financiers** means any financiers providing finance to User or a *related body corporate* of User in relation to the **facility** and any trustee or agent appointed by them;
- first 20 business day period** has the meaning given in clause 8.4;
- force majeure event** means an event or circumstance that:
- (a) is beyond the reasonable control of the notifying party or its **associates**;
  - (b) is not caused by an act or omission of the notifying party or its **associates**; and
  - (c) could not have been avoided or overcome by the notifying party or its **associates** taking reasonable precautions and steps,

including the following events, to the extent they satisfy paragraphs (a) to (c) (inclusive):

- (d) any industrial or labour dispute which the notifying party can demonstrate:
  - (i) involves persons other than the notifying party and its *associates*; and
  - (ii) was not caused or induced by the acts or omissions of the notifying party or its *associates*;
- (e) natural disasters;
- (f) landslide, flood, cyclone, earthquake, severe storm, lightning strike, severe and abnormal weather condition, electro-magnetic radiation storm, explosion or fire;
- (g) an act of war, terrorism, riot, civil commotion, malicious damage, sabotage or revolution;
- (h) epidemic or quarantine; and
- (i) an act or omission of another person (including an *Authority*) who is not under the control of the notifying party;

**GST** means a goods and services tax imposed under *A New Tax System (Goods and Services Tax) Act 1999* and related legislation;

**GST gross-up** has the meaning given at clause 10.2;

**impost** means any tax (excluding income tax and **GST**), duty, impost, levy, licence fee or other charge imposed by any *Authority*;

**inclement weather** means the existence or effects of climatic conditions (whether caused by rain, flood, hail, snow, cold, wind, dust storm, high temperature or otherwise) which makes it unsafe or impractical to undertake the **works** and includes, without limitation:

- (a) rainfall which is greater than [X]mm in any 24 hour period; and
- (b) wind speeds in excess of [X] m/s at a time when erection activities with a crane are being undertaken,

as determined by TasNetworks' weather monitoring equipment or, if TasNetworks does not have such equipment capable of monitoring conditions relevant to the *site*, the nearest Bureau of Meteorology monitoring station;

**insolvency event** means for a party any of the following events:

- (a) an administrator is appointed or a resolution is passed or any steps are taken to appoint, or to pass a resolution to appoint, an administrator to that party; or

- (b) a receiver, receiver manager, official manager, trustee, administrator, other controller (as defined in the *Corporations Act 2001* (Cth)) or similar officer is appointed over the assets or undertaking of that party; or
- (c) that party enters into or proposes to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or a class of them; or
- (d) that party is deemed by the provisions of the *Corporations Act 2001* to be insolvent;

**intellectual property rights** means any copyright, patent, registered design, design right, trade mark, trade name or any other legally protected intellectual property right;

**IUSA Provider** means the Identified User Shared Asset Provider described as such in the *IWCA*;

**IWCA** means the Interface Works Construction Agreement between TasNetworks, User and [insert name of IUSA Provider] dated [insert date];

**latent conditions** means physical conditions at the *site* and its near surrounds, including artificial things but excluding weather conditions, which differ materially from the physical conditions which should reasonably have been anticipated by a competent contractor at the time of TasNetworks' offer to *connect* if that competent contractor had inspected:

- (a) all written information made available by User to TasNetworks for the purpose of preparing the offer to *connect*;
- (b) all information influencing the risk allocation in TasNetworks' offer to *connect* and reasonably obtainable by the making of reasonable enquiries; and
- (c) the *site* and its near surrounds;

**Law** means:

- (a) those principles of law or equity established by decisions of courts;
- (b) statutes, regulations or by-laws of the Commonwealth of Australia, the State of Tasmania or an **Authority** which have the force of law;
- (c) the Constitution of the Commonwealth of Australia;
- (d) the **Rules**;
- (e) binding requirements and binding guidelines of the Commonwealth of Australia, the State of Tasmania or an **Authority** which have the force of law;

***notice to proceed*** means a written notice given by User to TasNetworks which directs TasNetworks to proceed with the ***works*** and expressly states it is a “notice to proceed” given under this agreement;

***notifying party*** has the meaning given in clause 8.1;

***outage event*** means where:

- (a) there is any full or partial unavailability of one or more *facilities* which means that it may adversely impact the *transmission system* or *distribution system* (including the ability of each system to supply electricity to *retail customers*) to undertake a *network outage*;
- (b) TasNetworks is prevented by an ***Authority*** or a third party from undertaking a *network outage* or is unable to procure an ***Authority's*** or third party's agreement to undertake an *outage* at the time and for the duration proposed by TasNetworks;
- (c) an ***Authority*** or third party withdraws its agreement to any *network outage*;
- (d) an ***Authority*** or third party (with power to do so) requires TasNetworks to recall the *network elements* which are affected by an *network outage* before the end of the time period which was nominated for that *outage*; or
- (e) TasNetworks determines (acting reasonably and applying *good electricity industry practice*) that a *network outage* cannot be taken at the time that was originally scheduled for that *network outage* (including where TasNetworks is acting as an ***Authority*** for the purposes of this agreement),

other than as a result of a breach of this agreement by TasNetworks or negligence by TasNetworks;

***out of pocket expense*** means any amount that is:

- (a) payable by TasNetworks to a third party; and
- (b) related to the performance of the ***works***,

and includes application fees, registration fees, deposits, cancellation fees and any other 'out of pocket' expenses, in each case which are reasonably incurred by TasNetworks in relation to the performance of the ***works*** but excludes ***works contractor costs***;

**practical completion** means the stage in the performance of the **works** when TasNetworks reasonably determines that each of the following requirements have been satisfied:

- (a) the **TasNetworks assets** have been completed in accordance with this agreement, except for minor defects and omissions which do not prevent the **TasNetworks assets** satisfying paragraph (c);
- (b) the **TasNetworks commissioning** has been successfully completed in accordance with this agreement; and
- (c) the **TasNetworks assets** are capable of providing the **services** to User in accordance with the **User connection agreement**, subject to any reasonable commissioning testing requirements of TasNetworks in relation to the **TasNetworks Assets** that are required to be undertaken post-connection;

**preliminary completion date** has the meaning given at clause 6.4;

**Rules** means the National Electricity Rules;

**scope of work** means the document so titled which is either annexed to this agreement or separately signed by User and TasNetworks and acknowledged to be the scope of work for the purposes of this agreement;

**SDS** has the meaning given to it in the **User connection agreement**;

**security** means any guarantee, performance undertaking, security interest or other document provided under clause 8 for the purpose of securing the payment of money by User under this agreement;

**services** has the meaning given to it in the **User connection agreement**;

**site** means the site where the **TasNetworks assets** will be constructed as shown in Schedule 5;

**site based contractor** means, in the case of TasNetworks, a **works contractor** who performs work at the **site** and in the case of User a contractor who works at the site on which the **facility** is being constructed;

**TasNetworks assets** means the facilities, assets, equipment and other tangible property to be provided in the performance of the **works**;

**TasNetworks commissioning** means undertaking commissioning activities reasonably required by TasNetworks in relation to the **TasNetworks Assets** to enable **connection** of the **facility** but does not include any commissioning testing required to be undertaken after **connection** of the **facility**;

**TasNetworks' costs** means all of TasNetworks' internal and external costs (both actual and committed, provided that such costs are not able to be avoided or reduced (for example, by terminating a contract for convenience in accordance with a right under that contract), and including cost of debt, expenses, profit margin, overhead, project management costs and expenses (including any **works contractor costs**, **out of pocket expenses** and, where applicable, costs in respect of, or arising from, the termination by TasNetworks or any third party of any contract for or relating to the carrying out of any **works**) reasonably incurred by TasNetworks (or a *related body corporate*) in undertaking any activities associated with the **works**;

**termination amount** means \$[insert amount];

**User connection agreement** means a *connection agreement* between TasNetworks and User for the *connection* of the **facility** entered into on or about the date of this agreement;

**User supplied information** means all information, materials and data, of whatever kind, provided in writing by User to TasNetworks in relation to the **works**, the **facility**, the **site** or this agreement;

**User works change** has the meaning given in clause 3.3(a);

**wilful default** means intentional misconduct undertaken knowing it is in breach of this agreement but it does not mean any mistake or error of judgement, whether in breach of this agreement or not and whether negligent or not;

**works** means the work set out in item 1 of Schedule 1 to this agreement (and as more fully described in the **scope of work** as being part of the TasNetworks' works) and does not include the work referred to in item 2 of Schedule 1;

**works change** has the meaning given in clause 3.2(a);

**works contractors** means those contractors and consultants engaged by TasNetworks to carry out any part of the **works** (whether design, construction, commissioning, legal advice, planning advice, assistance with acquisition of **approvals**, administration of this agreement or otherwise) and those suppliers from whom TasNetworks obtains goods, equipment, software, hardware or other items or rights for the purposes of the **works**; and

**works contractor costs** means all amounts reasonably incurred by TasNetworks and payable to any **works contractors** engaged by TasNetworks to carry out any part of the

*works* or payable to any *works contractors* from whom TasNetworks obtains goods, equipment, software, hardware or other items or rights for the purposes of the *works*.

## 1.2 Interpretation

In this agreement unless the contrary intention appears:

- (a) a reference to a recital, clause, party, paragraph, Schedule or attachment is a reference to a recital and clause of and a party, paragraph, Schedule or attachment to, this agreement and references to this agreement include any Schedule or attachment;
- (b) a reference to this agreement, any other agreement or instrument or any provision of any of them includes any amendment, variation or replacement of that agreement, instrument or provision;
- (c) a reference to an *applicable regulatory instrument, Australian Standard* or published index includes regulations and other instruments under, and consolidations, amendments, re-enactments, extensions or replacements, as applicable, of the same;
- (d) a reference to a thing (including, an amount) is a reference to the whole or any part of it, but nothing in this clause 1.2(d) implies that the performance of part of an obligation constitutes performance of that obligation;
- (e) the singular includes the plural and vice versa;
- (f) the word “person” includes a natural person, firm, body corporate, partnership (whether limited or otherwise), joint venture, trust, an unincorporated association and any *Authority*;
- (g) a reference to a person includes a reference to the person's executors, administrators, successors, and permitted assigns;
- (h) if a period of time is specified and the period dates from a given day or the day of an act or event, it is to be calculated exclusive of that day and if a period of time is specified as commencing on a given day or the day of an act or event, it is to be calculated inclusive of that day;
- (i) a reference to a day is a reference to a period of time commencing at midnight and ending the following midnight;
- (j) if a term is defined in this agreement other parts of speech and grammatical forms of that term have corresponding meanings; and
- (k) the word “includes” in any of its forms is not a word of limitation.

### 1.3 Headings, italics and bold type

- (a) Headings in this agreement are included for convenience only and do not affect the interpretation of this agreement.
- (b) Italics are used in this agreement for convenience to identify terms defined in the **Rules**. Bold and italics is used in this agreement for convenience to identify terms defined in this agreement. The fact that a word which is so defined appears in a clause of this agreement without being italicised or bold and italicised is to be disregarded in determining whether the word is intended to have the defined meaning given to it in the **Rules** or in this agreement.

### 1.4 Terms defined in the Rules

- (a) Subject to this clause 1.4, terms which are defined in the **Rules** which are used in this agreement have the meaning given to them in the **Rules**.
- (b) If a term is both defined in the **Rules** and in this agreement, the definition in this agreement will apply.
- (c) Where a term defined in the **Rules** in general terms is used in this agreement it will be interpreted in its context within this agreement to refer specifically to assets and services relevant to this agreement.
- (d) Where a provision of the **Rules** may be varied or waived by agreement of the parties that provision will apply except to the extent that it is waived or varied by this agreement.

### 1.5 Standards and indexes

Where an *Australian Standard* or published index referred to in this agreement ceases to exist (and no replacement standard or index is nominated by the body responsible for issuing the *Australian Standard* or published index) a replacement standard or index nominated by TasNetworks (acting reasonably) will be substituted for that standard or index.

## 2. TERM AND TERMINATION

### 2.1 Conditions precedent

Other than clauses 1, 2, 13, 14, 15, 16, 17, 18, 19 and 20 this agreement does not come into force or effect until:

- (a) User has achieved financial close for the financing of the *facility* and provides evidence, in a form reasonably satisfactory to TasNetworks, that financial close has been achieved;
- (b) a *notice to proceed* is given by User to TasNetworks;
- (c) User provides TasNetworks with *security* in accordance with clause 8;
- (d) User and TasNetworks have executed the *User connection agreement*;
- (e) execution of the *IWCA*; and
- (f) execution of a *network operating agreement* with the *IUSA Provider*.

### 2.2 Satisfaction

User must satisfy the conditions precedent in clause 2.1 on or before the date that is [insert] days after the date of this agreement or such later date as is agreed by the parties in writing (*conditions precedent deadline*).

### 2.3 Non satisfaction

If a condition precedent in clause 2.1 has not been satisfied (or waived by both parties) on or before the *conditions precedent deadline*, then:

- (a) if requested by User, the parties will, acting in good faith, endeavour to agree an extension to the *conditions precedent deadline*; and
- (b) if User does not request an extension under clause 2.3(a) or the parties are unable to agree an extension within 5 *business days* after User's request under clause 2.3(a), either party may terminate this agreement by written notice to the other party.

### 2.4 Term

Subject to clauses 2.1, 2.2 and 2.3, this agreement commences on the *execution date* and, unless terminated earlier, expires upon the occurrence of the "commencement date" as defined in the *User connection agreement*.

## 2.5 Effect of termination

- (a) If this agreement is terminated other than under clauses 2.3 or 2.6, User must, within 5 *business days* of receipt of a tax invoice from TasNetworks, pay TasNetworks the *termination amount*.
- (b) To avoid doubt clause 2.5(a) does not apply where this agreement expires under clause 2.4.
- (c) This clause 2.5 survives termination of this agreement.

## 2.6 Conditions Subsequent

- (a) If a condition set out in Schedule 8 is not satisfied by the relevant date set out in that Schedule, a party may serve notice on the other providing that it intends to terminate this agreement if the condition is not satisfied within a further 21 days.
- (b) During the 21 day period following the service of that notice the parties must negotiate in good faith to seek to satisfy the condition or determine terms upon which this agreement may continue despite the condition not being satisfied.
- (c) If the relevant condition is not satisfied by the end of the 21 day period and if the parties have not agreed and documented a basis upon which this agreement may continue in operation, then either party may by notice to the other with immediate effect terminate this agreement.
- (d) If this agreement is so terminated then User must pay TasNetworks:
  - (i) all *TasNetworks' costs* incurred as at the date of termination;
  - (ii) any *TasNetworks' costs* which arise after the date of termination and which TasNetworks is not reasonably able to avoid; and
  - (iii) any *TasNetworks' costs* incurred as a consequence of such termination, including costs of terminating contracts relating to the *works*.

## 3. THE WORKS

### 3.1 General

The parties agree that the *works* required to facilitate the *connection* of the *facility* are set out in Schedule 1 to this agreement.

### 3.2 Variations initiated by TasNetworks

- (a) TasNetworks may, any time prior to *practical completion*, make any addition to or omission from or other amendment to the *works* (“*works change*”), provided in each case that any such *works change* will not:
- (i) delay the *date of practical completion*;
  - (ii) require User to make any change, variation or modification to the *facility*;
  - (iii) adversely impact TasNetworks’ ability to provide *services*;
  - (iv) delay the construction of the *facility*;
  - (v) require User to obtain a new *approval* for the *facility* or to obtain a variation to any existing *approval* for the *facility*;
  - (vi) cause the cost of the construction, operation and maintenance of the *facility* to increase beyond the costs which would have been incurred if no variation had been made (or if there is such an increase in the costs of construction, operation and maintenance, TasNetworks either agrees (to the extent the relevant cost is substantiated under clause 3.2(e)) to reimburse User such additional costs or to reduce the *connection charges* as required to offset that cost).
- (b) There will be no increase in the *connection charges* due to an addition, omission or amendment under clause 3.2(a).
- (c) TasNetworks will notify User as soon as reasonably practicable after TasNetworks has determined to make a *works change* which notice must outline in reasonable detail the *works change*.
- (d) TasNetworks may notify User of a proposed *works change* and request comments from User as to whether User considers it may have an impact referred to in clause 3.2(a). If User does not provide reasons objecting to such change within 20 *business days* of receipt of the notice User will be taken to agree that the change will not have an effect referred to in clause 3.2(a). If User does object to the *works change* User must provide such additional information in relation to its objection as reasonably requested by TasNetworks and within such reasonable time specified by TasNetworks.
- (e) If User objects to a *works change* because of the additional construction, operation or maintenance costs it will cause in respect of the *facility* User must

provide such information as reasonably requested by TasNetworks to substantiate those costs and within such reasonable time specified by TasNetworks.

- (f) Where a **works change** would have an impact referred to in clause 3.2(a), TasNetworks may nevertheless seek User's consent to such **works change** and User will not unreasonably withhold or delay such consent and act reasonably in considering the terms upon which it is willing to give such consent.

### 3.3 Variations requested by User

- (a) User may, any time prior to **practical completion**, give TasNetworks a written request for an addition to or omission from or amendment to the **works** ("**user works change**"), provided the addition, omission or amendment is generally within the scope of the **works** and does not constitute a request for:

- (i) an increase in **agreed capability**; or
- (ii) changes to equipment already ordered.

- (b) If User requests a **user works change**, TasNetworks will within a reasonable time notify User whether (acting reasonably and having regard to any provisions of TasNetworks' arrangements with its contractors) TasNetworks is able to give effect to the **user works change** and, if so:

- (i) a reasonable charge for the **user works change** (including amounts for profits and overheads) or (if applicable) any reduction in the cost of the **works** due to the **user works change**; and
- (ii) a reasonable adjustment to the **date for practical completion**.

For the purposes of this clause 3.3, any amount or extension of time TasNetworks will be required to grant or pay to its contractors (pursuant to TasNetworks' contractual arrangements with those contractors) to give effect to the **user works change** will be deemed reasonable for the purposes of clause 3.3(b)(i) and clause 3.3(b)(ii).

- (c) Without limiting clause 3.3(b), TasNetworks is not required to give effect to a **user works change** if it will:

- (i) adversely affect the ability of the **facility** to comply with the generator performance standards applicable under the **Rules**;
- (ii) adversely affect TasNetworks' ability to comply with **Law**; or

- (iii) require the acquisition of additional easements or other property rights.
- (d) If User wishes to accept TasNetworks' proposal under clause 3.3(b) it must do so within 10 *business days* of receipt of the proposal.
- (e) If User accepts TasNetworks' proposal within the time specified in clause 3.3(d) (or such later time as TasNetworks may specify) then the *works* and *date for practical completion* will be taken to be amended in accordance with the proposal.
- (f) If User directs TasNetworks to proceed with the *user works change* TasNetworks will issue User with an invoice for the additional charges for the *user works change* as notified by TasNetworks under clause 3.3(b).
- (g) Where a *user works change* (which is agreed to be implemented in accordance with this clause 3.3) involves an omission from the *works* and as a result there is an overall reduction in *TasNetworks' costs* then TasNetworks will pass the benefit of that reduction through to User as soon as reasonably practicable after the benefit has been passed through to TasNetworks by the relevant *works contractors*.

#### **3.4 Effect of variation**

- (a) If an addition, omission or other amendment is made in accordance with clause 3.2 or 3.3, then Schedule 1 to this agreement will be automatically amended to reflect the addition, omission or amendment.
- (b) Any addition, omission or other amendment to the *works* under clause 3.2 or 3.3 must be within the general scope of this agreement, unless otherwise agreed by User in relation to clause 3.2 or TasNetworks in relation to clause 3.3.

#### **3.5 Variations by Agreement**

The parties may at any time by agreement signed by each party vary the scope of the *Works*.

## 4. OBLIGATIONS OF TASNETWORKS

### 4.1 Performance of the works

- (a) TasNetworks must undertake and complete the *works* in accordance with this agreement.
- (b) In performing the *works*, TasNetworks must:
  - (i) comply with applicable *Laws*;
  - (ii) comply in all material respects with all applicable *Australian Standards*;
  - (iii) comply with good industry practice, including *good electricity industry practice* where applicable; and
  - (iv) subject to clause 6.4, ensure the *TasNetworks assets* are designed and constructed in accordance with this agreement, such that on the *date of practical completion* they are capable of providing the *services* in accordance with the *User connection agreement*, subject to any reasonable commissioning testing requirements of TasNetworks in relation to the *TasNetworks Assets* that are required to be undertaken post-connection.

### 4.2 Procurement of construction works

TasNetworks may enter into contracts for the performance of all or part of the *works* with reputable contractors.

### 4.3 Project management

TasNetworks will be responsible for the project management of the *works*.

### 4.4 Easement Acquisition

TasNetworks will carry out the work referred to in item [insert] of Schedule 1.

### 4.5 Approvals

- (a) To the extent Schedule 6 states TasNetworks is responsible for obtaining the *approvals* required for the *works*, TasNetworks must use its reasonable endeavours to apply for, obtain and maintain those *approvals*.
- (b) Notwithstanding clause 4.5(a), TasNetworks is not required to accept the grant of an *approval* to TasNetworks (or to any renewal or variation of such an

*approval*) unless the terms of the *approval* (or the renewal or variation) are acceptable to TasNetworks acting reasonably.

- (c) To the extent Schedule 6 states TasNetworks is responsible for the conditions of an *approval*, TasNetworks must satisfy those conditions.
- (d) User must take all reasonable steps requested by TasNetworks to assist TasNetworks to obtain an *approval* or satisfy a condition of an *approval*.

#### **4.6 Reporting**

TasNetworks will provide User with a written report every month detailing:

- (a) the progress of the *works*;
- (b) any delays encountered or expected to be encountered in the delivery of the *works*; and
- (c) any additional costs or increases in the cost or expected cost of the *works*.

#### **4.7 Principal Contractor**

The parties agree that the *works* being undertaken by TasNetworks and the construction of the *facility* being undertaken by User are separate construction projects for the purposes of the *Work Health and Safety Regulations 2012* and that each of TasNetworks and User may engage a principal contractor for the purposes of their separate construction projects.

### **5. OBLIGATIONS OF USER**

#### **5.1 General**

User will do all things that are consistent with the objects of this agreement and that are reasonably necessary to assist TasNetworks in performing its obligations under this agreement as and when reasonably requested to do so by TasNetworks including facilitating and assisting the coordination and performance of all testing, commissioning, interface works and other works to be performed by User or User's *associates* and associated with the performance of the *works* by TasNetworks.

#### **5.2 Access Rights**

- (a) Except where the *scope of work* provides that TasNetworks is responsible for acquiring rights to access land, User must ensure that TasNetworks has all access rights (on terms acceptable to TasNetworks acting reasonably) to land

(whether owned by User or not) required by TasNetworks to undertake the **works**.

- (b) User must, by the time specified in the **scope of work**, procure there is executed (by all persons other than TasNetworks) the documents necessary to grant to TasNetworks a registered easement on the terms provided in the Electricity Infrastructure Easement set out in Schedule 4 over that part of land where the **TasNetworks assets** will be located as shown in Schedule 5.
- (c) User must pay all costs of obtaining and registering the easements referred to in clause 5.2(b), including stamp duty, registration fees and any compensation payable to the land owner.
- (d) User must, by the time specified in the **scope of work**, also obtain from the landowners of that land where the **TasNetworks assets** will be located as shown in Schedule 5 a right of access to, and over, the land, on terms and conditions acceptable to TasNetworks, for the purpose of installing, testing, inspecting, maintaining, reading, repairing, replacing, operating or removing any of TasNetworks' **electricity infrastructure** and for any related purpose on and from the **commencement date**. Such rights will be superseded by the registered easements once those easements are registered.
- (e) Where any work undertaken by TasNetworks on land for the purposes of preparing that land for the **works** requires TasNetworks to undertake any offset work on other land (for example planting native vegetation to replace native vegetation which has been cleared) then User must either, as required by TasNetworks:
  - (i) discharge such offset obligations on TasNetworks' behalf and in accordance with TasNetworks' reasonable requirements; or
  - (ii) reimburse TasNetworks the reasonable costs it incurs in discharging such offset obligations.
- (f) Without limiting clause 5.2(a), User must give TasNetworks and its **associates** access as reasonably requested by TasNetworks to:
  - (i) User's **facility**; and
  - (ii) any land or premises owned or occupied by User upon which any **electricity infrastructure** belonging to TasNetworks is situated or on which the **TasNetworks Assets** are to be installed,

from time to time, for the purposes:

- (iii) identified in this agreement or **Laws**;
  - (iv) of allowing the **works** (including any related interface works) to be harmoniously undertaken and completed; and
  - (v) of complying with, or monitoring compliance with, the obligations of the parties under this agreement and any **Laws** as they relate to the obligations of the parties under this agreement.
- (g) When accessing any land owned or controlled by User, TasNetworks must comply, and ensure that its **associates** comply, with any reasonable requirements of User relating to the health and safety of people, the protection of the environment and/or site security.

### 5.3 User's Facility

User must:

- (a) ensure the **facility** is constructed in accordance with *good electricity industry practice* and the **scope of work** and so that it otherwise complies with the **Rules** and all other **Laws**; and
- (b) comply with its obligations under the **scope of work**.

### 5.4 Provision of Plans and Information

- (a) User must provide TasNetworks with the information and plans specified in Appendix A within 10 **business days** of receiving a written request from TasNetworks (and provided that the timing of such request must be consistent with the indicative timeframes set out in Appendix A). User acknowledges that the provision of this information is critical to achieving **practical completion**.
- (b) The information and plans provided under clause 5.4(a) must be in a form acceptable to TasNetworks acting reasonably. If TasNetworks does not consider information or plans provided to it reasonable and consistent with *good electricity industry practice* it will notify User and User must submit revised information or plans to address TasNetworks' concerns within such reasonable timeframe as specified by TasNetworks. This process will continue until TasNetworks notifies User that it accepts the relevant information or plans.

- (c) User grants TasNetworks a perpetual, irrevocable, worldwide, non-exclusive, royalty free licence (with a right to sublicense or transfer the licence) to use the *intellectual property rights* in any documents provided by User to TasNetworks under this agreement, as required by TasNetworks to discharge TasNetworks' obligations and exercise its rights under this agreement, the *User connection agreement*, any other contractual arrangement relating to the *TasNetworks assets* or the *facility* and at *Law*. User warrants it has all necessary rights to grant such licence and indemnifies TasNetworks against any claims against TasNetworks or any of its *associates* due to such warranty being breached.

## 5.5 Approvals

- (a) User is responsible for obtaining any *approvals* required for the *works* which are not expressly stated in Schedule 6 to be the responsibility of TasNetworks, and User must use its reasonable endeavours to apply for, obtain and maintain those *approvals*.
- (b) TasNetworks is not required to accept the grant of an *approval* to TasNetworks pursuant to clause 5.5(a) unless the terms of the *approval* are acceptable to TasNetworks acting reasonably.
- (c) To the extent Schedule 6 states User is responsible for the conditions of an *approval*, User must satisfy those conditions.
- (d) TasNetworks will, at User's cost, assist User obtain an *approval* or satisfy a condition of an *approval* in accordance with this clause 5.5.

## 5.6 IWCA

- (a) User must ensure that the *IUSA Provider* discharges its obligations under the *IWCA* in relation to the *contestable IUSA components* and any other work the *IUSA Provider* is required to perform under the *IWCA*.
- (b) User acknowledges that, except as expressly stated otherwise in the *IWCA*, TasNetworks has no responsibility for any of the work undertaken by the *IUSA Provider* and no liability of any nature whatsoever to User for any defects or deficiencies in that work.

## 6. COMPLETION OF WORKS

### 6.1 Timing for works

TasNetworks must:

- (a) proceed with the *works* with due expedition; and
- (b) achieve *practical completion* of the *works* on or before the *date for practical completion*.

### 6.2 Practical completion process

- (a) TasNetworks must give User:
  - (i) written notice at least [insert] *business days* before TasNetworks anticipates that *practical completion* will be achieved;
  - (ii) written notice stating that *practical completion* has been achieved; and
  - (iii) where applicable, written notice stating that *practical completion* has been deemed to be achieved under clause 6.4(e).

### 6.3 Liquidated damages for late practical completion

- (a) Subject to clauses 6.3(b) and 14.3, if (and to the extent that) TasNetworks does not achieve *practical completion* on or before the *date for practical completion*, TasNetworks must pay User liquidated damages at a rate of [\$ insert] per day for each day after the *date for practical completion* until (and including) the *date of practical completion*.
- (b) No liquidated damages are payable in respect of any period during which User would not have been able to generate and/or export electricity from the *facility* for a reason other than TasNetworks not having achieved *practical completion* (for example, because the *facility* was not completed or otherwise not in a condition where it was able to generate and export electricity).
- (c) The liquidated damages payable under clause 6.3(a) are a genuine pre-estimate of the loss likely to be suffered by User as a result of TasNetworks' breach of clause 6.1(b). If TasNetworks' obligation to pay liquidated damages under this clause 6.3 is unenforceable for any reason (including because the liquidated damages are a penalty), User may, subject to clause 14.3, claim general damages for TasNetworks' breach of clause 6.1(b). However the amount of general damages payable under this clause 6.3(c) will not exceed the amount

of liquidated damages which would have been payable under clause 6.3(a) had those liquidated damages been enforceable.

- (d) Despite any other provision in this agreement, User agrees that TasNetworks' sole and exclusive liability for a failure to achieve *practical completion* on or before the *date for practical completion*, however that failure is caused (including negligence, breach of contract or otherwise), will be as set out in this clause 6.3.

#### **6.4 Charges payable by User where TasNetworks' assets completed but facility not ready to connect**

If:

- (a) at any time on or after the *date for practical completion*, *practical completion* has been achieved but the commencement date (as defined in the *User connection agreement*) has not occurred; or
- (b) at any time, the *facility* is not sufficiently completed to enable TasNetworks to finalise all aspects of the *works* but TasNetworks has otherwise completed all aspects of the *works* which TasNetworks is able to undertake which are not dependent upon the state of completion of the *facility* (the date this occurs being the "*preliminary completion date*"),

then:

- (c) from the date of achievement of *practical completion* or the *preliminary completion date* (as applicable) TasNetworks may, under this agreement, invoice an amount equal to the *connection charge* to User in accordance with clause 10;
- (d) TasNetworks may continue to invoice the *connection charge* each month until such time as TasNetworks is permitted to invoice the *connection charge* under the *User connection agreement*;
- (e) where clause 6.4(b) applies, then for the purposes of clauses 6.3 and 11 *practical completion* will be taken to have been achieved on the *date for practical completion*;
- (f) where clause 6.4(b) applies, TasNetworks will finish all uncompleted aspects of the *works* with due expedition once the construction of the *facility* is sufficiently advanced to enable it to do so; and

- (g) where clause 6.4(b) applies, clause 7 will continue to operate in respect of any *excepted risks* which cause TasNetworks to incur additional costs (such that TasNetworks may recover its additional costs in accordance with that clause).

## 6.5 Early Completion Bonus

- (a) If TasNetworks achieves *practical completion* or the *preliminary completion date* before the *date for practical completion* User must pay TasNetworks an incentive amount of **[\$insert]** per day for each day after the *date of practical completion* or *preliminary completion date* (as applicable) until (and including) the *date for practical completion*.
- (b) The maximum total incentive amount payable by User under clause 6.5(a) will be  **[# ]**.

## 7. EXCEPTED RISKS

### 7.1 Extensions of time and Additional Costs

- (a) If an *excepted risk* occurs:
- (i) the *date for practical completion* will be extended (as determined by TasNetworks acting reasonably) by the number of days (if any) by which *practical completion* has been, or is likely to be, delayed due to that *excepted risk*; and
  - (ii) if the *excepted risk* will cause TasNetworks to incur additional costs (irrespective of whether it causes a delay in the achievement of *practical completion*) User must pay the reasonable additional *TasNetworks' costs* which TasNetworks has or will incur in performing the *works* as a result of the occurrence of the *excepted risk* (as determined by TasNetworks acting reasonably).
- (b) If an *excepted risk* requires an addition to, omission from or other amendment to the *works* or the way in which the *works* are to be carried out and performed TasNetworks (acting reasonably) will determine:
- (i) the addition to, omission from or amendment to the *works* required as a result of the *excepted risk*; and
  - (ii) the reasonable additional *TasNetworks' costs* (if any) that have been or will be incurred as a result of the *excepted risk*.

- (c) TasNetworks must give User written notice of any anticipated delay to *practical completion* caused by an *excepted risk* within 10 *business days* after TasNetworks first became aware that the delay has occurred or will occur.
- (d) If the *excepted risk* continues to delay *practical completion*, TasNetworks must give User written updates on the delay at least every 10 *business days* until the *excepted risk* no longer continues to delay *practical completion*.
- (e) Notice and updates under clauses 7.1(c) and 7.1(d) must include the following details:
  - (i) TasNetworks' best estimate of the delay to *practical completion*; and
  - (ii) the steps being taken by TasNetworks to mitigate the delay to *practical completion*.
- (f) TasNetworks must, at such time as TasNetworks is reasonably able to do so, give User reasonable evidence of any delay to *practical completion* caused by an *excepted risk*.
- (g) TasNetworks will notify User of its estimate of the reasonable additional *TasNetworks' costs* which TasNetworks has or will incur in performing the *works* (including as varied under clause 7.1(b)) as a result of an *excepted risk* as soon as reasonably practicable after TasNetworks has determined the amount of those additional costs.
- (h) TasNetworks will notify User of its final determination of the reasonable additional *TasNetworks' costs* which TasNetworks has or will incur in performing the *works* (including as varied under clause 7.1(b)) as a result of an *excepted risk* as soon as reasonably practicable after TasNetworks has made that final determination.
- (i) TasNetworks must provide to User reasonable evidence to substantiate the amount of the additional *TasNetworks' costs* claimed by TasNetworks.
- (j) If TasNetworks determines an addition to, omission from or other amendment to the *works* or the way in which the *works* are to be carried out and performed is required because of an *excepted risk*, TasNetworks must provide reasonable evidence to User to substantiate TasNetworks' determination of why that change is required.
- (k) Without limiting the remainder of this clause 7.1, in determining the reasonable extension to the *date for practical completion*, any extension of

time which TasNetworks is obliged to grant a *works contractor* in accordance with the terms of the contract between TasNetworks and the relevant contractor will be taken to be reasonable.

- (l) Without limiting the remainder of this clause 7.1, in determining the reasonable additional *TasNetworks' costs* those costs will be taken to include any amount TasNetworks is obliged to pay a *works contractor* in accordance with the terms of the contract between TasNetworks and the *works contractor*.
- (m) The costs of additional time required to be spent by TasNetworks' employees and officers (or employees and officers of any of its *related bodies corporate*) will be calculated in accordance with any rates schedule as may be published by TasNetworks (in accordance with any requirements of *Law*) for such employees or officers (or, if applicable, in accordance with any rates schedule annexed to this agreement).
- (n) Without limiting the remainder of this clause 7.1, in determining whether TasNetworks has acted reasonably in determining whether an addition to, omission from or other amendment to the *works* or the way in which the *works* are to be carried out and performed is required, any change to the *works* which TasNetworks is required to approve under a contract with a *works contractor* will be taken to be reasonable.
- (o) TasNetworks will issue User an invoice for the amount payable pursuant to clause 7.1(a).
- (p) Subject to clause 7.1(q), TasNetworks must take reasonable steps to avoid or minimise any delay to *practical completion* and any additional costs caused by an *excepted risk*.
- (q) TasNetworks is not required to incur a cost in seeking to minimise the delay caused by an *excepted risk* unless User has agreed to pay those costs. TasNetworks will notify User of its best estimate of the costs of seeking to minimise such delay as soon as reasonably practicable after TasNetworks has determined those costs.
- (r) TasNetworks is not entitled to an extension of time under clause 7.1(a) to the extent TasNetworks or its *associate* caused or contributed to the delay, or *excepted risk* that caused the delay, by a breach of this agreement or negligent act or omission.

- (s) Where an *excepted risk* results in an omission from the *works* and as a result there is an overall reduction in *TasNetworks' costs* then TasNetworks will pass the benefit of that reduction through to User as soon as reasonably practicable after the benefit has been passed through to TasNetworks by the relevant *works contractors*.

## 8. FORCE MAJEURE

### 8.1 Suspension of obligations by either party

A party ("*notifying party*") may suspend the performance or observance of this agreement (other than monetary obligations) to the extent that a *force majeure event* prevents it performing or observing its obligations under this agreement.

### 8.2 Notice obligations

If a party invokes clause 8.1 it must:

- (a) immediately notify the other party;
- (b) as soon as practicable thereafter, but not later than 3 *business days* following the date on which the *notifying party* became aware of the *force majeure event*, give particulars to the other party of the *force majeure event* and of the obligations of the *notifying party* under this agreement which have been, will be or are likely to be affected by the *force majeure event*; and
- (c) keep the other party informed, both at reasonable intervals and upon request by the other party, as soon as practicable following the receipt of that request, of:
  - (i) the *notifying party's* estimate of the likely duration of the *force majeure event* and its likely implications on the *notifying party's* ability to perform its obligations under this agreement;
  - (ii) the action taken and the action proposed to be taken to mitigate the effect of the *force majeure event*;
  - (iii) the cessation of the *force majeure event* or the successful mitigation or minimisation of the effects of the *force majeure event*; and
  - (iv) any other matter which the other party may reasonably request in connection with the occurrence of the *force majeure event*.

### 8.3 Mitigation

Subject to clause 8.4:

- (a) the *notifying party* must as soon as practicable after the occurrence of the *force majeure event*, use its reasonable endeavours to mitigate the effects of the *force majeure event*;
- (b) the *notifying party* must use its reasonable endeavours to overcome or remove the *force majeure event*; and
- (c) the other party must cooperate and give such assistance to the *notifying party* as may be reasonably requested.

### 8.4 Amendment or termination of agreement

- (a) If a *force majeure event* continues to prevent a party from performing or observing all or a material part of its obligations under this agreement for a period of 3 months or more from the date of its occurrence, either party may:
  - (i) request that the other party negotiate in good faith amendments to this agreement (including any obligations to make any payments under this agreement) which would remove the aspects of this agreement affected by the *force majeure event* from the operation of this agreement; or
  - (ii) notify the other party of its intention to terminate this agreement.
- (b) If the *force majeure event* continues substantially to impede the performance of this agreement after 20 *business days* from receipt of the written notice under clause 8.4(a)(ii) ("*first 20 business day period*"), the party who gave the written notice under clause 8.4(a)(ii) may terminate this agreement at any time by issuing further written notice to the other party provided such further written notice is issued within 20 *business days* of the expiry of the *first 20 business day period*.
- (c) If:
  - (i) the parties are unable to negotiate amendments under clause 8.4(a)(i) within 20 *business days* of a request to negotiate by a party, or such longer time as the parties may agree in writing; and
  - (ii) at the expiry of the time under clause 8.4(a)(i) the *force majeure event* continues substantially to impede the performance of this agreement,

then either party may terminate this agreement at any time by issuing written notice to the other party provided such written notice is issued within 20 **business days** of the expiry time specified in clause 8.4(c)(i).

## 8.5 Excepted risk

TasNetworks may:

- (a) where it considers (acting reasonably) that the **force majeure event** can be overcome in less than 3 months; or
- (b) otherwise by agreement with User, manage a **force majeure event** under clause 7.

## 9. SECURITY

- (a) User must provide and maintain security for the performance of its obligations under this agreement by way of a bank guarantee for the amount of **[\$insert]**, which bank guarantee must, at all times be:
  - (i) given by an **Australian Bank** (lawfully carrying on business under the *Banking Act 1959* (Cth)) that meets the reasonable requirements of TasNetworks;
  - (ii) an irrevocable and unconditional commitment by the **Australian Bank** to pay, without enquiry or reference to User, the amount demanded by TasNetworks, without set-off or counterclaim, up to the amount of the **security**;
  - (iii) issued from a branch of the issuing Australian Bank in Hobart and provide for presentation and payment at that branch; and
  - (iv) otherwise on terms acceptable to TasNetworks.
- (b) Where any **security** provided in accordance with this clause 8 has an expiry date:
  - (i) User must, not later than 60 **business days** before that expiry date, provide TasNetworks with the proposed form of User's replacement **security**;
  - (ii) TasNetworks must, not more than 20 **business days** after receipt of the proposed form of User's replacement **security**, advise User whether or not the proposed form of **security** is acceptable;

- (iii) User must provide TasNetworks with replacement *security* in a form acceptable to TasNetworks not less than 30 *business days* before that expiry date; and
  - (iv) if User fails to provide replacement security in accordance with this clause 8(b), then TasNetworks may, without notice or reference to User, draw down or call upon the *security* for the full amount secured and hold the amount drawn down or called upon as cash security for the performance of User's obligations under this agreement.
- (c) If TasNetworks draws or calls on a *security* in accordance with clause 9(b)(iv), and User provides TasNetworks with *security* which complies with this clause 8, then TasNetworks must, within 10 *business days* after written request by User, pay to User (or as it directs) the amount which TasNetworks has drawn down or called upon (less any part of the cash security drawn upon in accordance with clause 9(d)).
- (d) TasNetworks may call upon the *security* if TasNetworks in good faith considers it is owed an amount by User which amount has not been paid within the time required by this agreement. Unless this agreement provides otherwise an amount due to TasNetworks will be taken to be due 10 *business days* after TasNetworks serves notice or an invoice on User claiming payment of the amount.
- (e) User must not take any steps to injunct or otherwise restrain:
- (i) the issuer of any *security* from paying TasNetworks under that *security*;
  - (ii) TasNetworks from taking any steps for the purposes of making a demand under any *security* or receiving payment under any *security*;
- or
- (iii) TasNetworks using the money received under any *security*.
- (f) If TasNetworks calls upon the *security* then User must within 10 *business days* provide to TasNetworks replacement *security* complying with the requirements of this agreement.
- (g) If TasNetworks calls upon the *security* and the amount called upon exceeds the amount then actually due to TasNetworks, then (unless TasNetworks acted in bad faith) TasNetworks' only obligation will be to return the relevant

amount to User upon User providing to TasNetworks a replacement *security* which complies with the requirements of this agreement. This clause 9(g) does not apply to *security* drawn down or called upon under clause 9(b)(iv).

- (h) The obligations in this clause 8 will survive termination or expiry of this agreement.

## 10. INVOICING AND PAYMENT

### 10.1 Payment

- (a) Subject to clause 10.3, User agrees to pay all invoices issued by TasNetworks under this agreement, including pursuant to clause 2.5 (Effect of Termination), clause 3.3(f) (Variations Requested by User), clause 6.4 (Connection Charge), clause 6.5 (Early Completion Bonus) clause 7.1(o) (Extensions of Time and Additional Costs), clause 11.1(a) (Test Connection) and clause 15.6 (Asset Removal).
- (b) All payments by User to TasNetworks must be:
- (i) for the full amount of each invoice including *GST*;
  - (ii) electronically transferred by User into an account or accounts nominated by TasNetworks;
  - (iii) transferred by User, to the nominated account or accounts, by 4.00 pm on the tenth *business day* after receipt of the relevant invoice;
  - (iv) without set-off or counterclaim; and
  - (v) without any deduction or withholding.

### 10.2 GST

- (a) If a party (the supplier) is required to pay *GST* in respect of a supply made under or in connection with (including by reason of a breach of) this agreement, the recipient of the supply must (in addition to any other payment for, or in connection with, the supply) pay to the supplier an amount equal to such *GST* (such amount being the *GST gross-up*).
- (b) If a *GST gross-up* is payable, then the supplier must give the recipient a tax invoice for the supply.

- (c) Provided a tax invoice has been given, the **GST gross-up** must be paid by the recipient:
- (i) if any monetary consideration is payable for the supply, at the same time and in the same manner as such monetary consideration; or
  - (ii) if no monetary consideration is payable for the supply, within 10 **business days** after the day on which the tax invoice is given.
- (d) If any payment to be made to a party under or in connection with this agreement is a reimbursement or indemnification of an expense or other liability incurred or to be incurred by that party, then the amount of the payment must be reduced by the amount of any input tax credit to which that party is entitled for that expense or other liability, such reduction to be effected before any increase in accordance with clause 10.2(a).
- (e) If an adjustment event has occurred in respect of a supply made under or in connection with this agreement, any party that becomes aware of the occurrence of that adjustment event must notify the other party as soon as practicable, and the parties agree to take whatever steps are necessary (including to issue an adjustment note), and to make whatever adjustments are required, to ensure that any **GST** or additional **GST** on that supply, or any refund of **GST** (or part thereof), is paid no later than 20 **business days** after the supplier first becomes aware that the adjustment event has occurred.
- (f) For the purposes of this agreement:
- (i) terms used in this clause 10.2 that are defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the meaning given to them in that Act;
  - (ii) a reference to a payment in this clause 10.2 includes any payment of money and any form of consideration other than payment of money; and
  - (iii) all references to payments and obligations to make payments, including all references to compensation (including by way of reimbursement or indemnity), are, but for the operation of this clause 10.2, exclusive of **GST**.

### 10.3 Manifest error

- (a) Unless an invoice contains a manifest calculation error, User may not withhold payment of the disputed portion of an invoice (but without prejudice to User's right to later challenge the correctness of the invoice). If an invoice contains a manifest calculation error User must notify TasNetworks and if TasNetworks (acting reasonably) agrees it will issue a corrected invoice in substitution for the original invoice. If TasNetworks does not agree there is a manifest calculation error then User must pay the original invoice but the payment timeframe will be extended by the number of days between TasNetworks receiving notice from User of the alleged error and TasNetworks responding to User.
- (b) The fact User must pay an invoice even if disputed does not prejudice User's right to dispute that invoice in accordance with the procedures in clause 16. If pursuant to clause 16 it is determined (or it is otherwise agreed by the parties) that the amount invoiced to User was greater than permitted by this agreement, then within 15 *business days* of such determination, TasNetworks will refund the overpaid amount to User with interest calculated in accordance with clause 10.5.

### 10.4 Late or non-payment

If a payment is not made by a party in accordance with this agreement then that party must pay interest on the amount for the period from the date the payment is due until the date of payment calculated in accordance with clause 10.5.

### 10.5 Interest

Interest payable under this agreement will:

- (a) accrue daily for each relevant day at the rate that is the aggregate of the *cash rate* and:
- (i) 2% per annum in the case of interest referred to in clause 10.4; and
  - (ii) 0% in all other cases; and
- (b) be calculated on the basis of the actual number of days elapsed and assuming a 365 day year; and
- (c) be compounded on a daily basis.

## 10.6 Survival

The obligations in clause 9 will survive termination.

## 11. COMPLIANCE TESTING AND COMMISSIONING

### 11.1 Test Connection

If *practical completion* has occurred and prior to the *connection* of the *facility* User needs to establish a test *connection* to the *transmission system* for technical reasons, User may request a test *connection* and TasNetworks will not unreasonably withhold its consent to such test *connection*. Any such test *connection* will be on the following terms (which terms will be taken to constitute a *connection agreement for load*):

- (a) in addition to amounts invoiced under clause 6.4(c), TasNetworks may, under this agreement, invoice User for any charges applicable to electricity taken by User as a *load customer*;
- (b) User must ensure it has all *approvals* required from *AEMO* for the test *connection* and complies with the terms of all such *approvals*;
- (c) User must comply with any technical and safety requirements advised by TasNetworks or *AEMO* in writing;
- (d) User must follow TasNetworks' instructions in relation to the proposed test *connection* and must *disconnect* immediately upon being instructed to do so;
- (e) the parties will each comply with their respective obligations under the *Rules* to ensure that the *connection* of the *facility* is carried out in accordance with the procedures and timeframes set out in clause 5.8 of the *Rules*;
- (f) except to the extent TasNetworks has engaged in a *wilful default*, to the maximum extent permitted by *Law*, in no event or circumstance shall TasNetworks be liable to User for any loss or damage arising out of the test *connection*, whether for direct or consequential loss or damage of any type (including as a result of negligence); and
- (g) to the maximum extent permissible by *Law*, User indemnifies TasNetworks against any third party claim, loss or damage, howsoever arising from the test *connection* (including as a result of negligence) but excluding where arising from TasNetworks' *wilful default*.

## 11.2 Commissioning

- (a) Prior to the initial *connection* of the **facility** or any **contestable IUSA components** to the *transmission system*:
- (i) the parties must comply with their respective obligations under section 5.8 of the **Rules** and User must ensure the **IUSA Provider** complies with that section 5.8; and
  - (ii) the parties will, in accordance with TasNetworks' reasonable directions, undertake the **TasNetworks commissioning**.
- (b) User acknowledges that all *protection systems, control systems* and related systems (including SCADA) to be used in connection with the **facility** and **contestable IUSA components** must be commissioned and tests undertaken to ensure such systems comply with the **scope of work**, the **Rules** and any other **Laws**.
- (c) User must provide TasNetworks with at least 10 **business days'** notice of any commissioning or test referred to in clause 11.2(b) (including reasonable details of the relevant test or commissioning exercise) and, if requested by TasNetworks, permit TasNetworks or its *representatives* to attend and witness any such test or exercise.
- (d) User must provide to TasNetworks the results of any commissioning exercise or test referred to in clause 11.2(b) and such additional information as TasNetworks reasonably requests in respect of the commissioning exercise or test.

## 12. RISK AND INSURANCE

### 12.1 TasNetworks insurance

TasNetworks must ensure the following insurance is effected and maintained:

- (a) Contract works insurance
- (i) Cover: Loss of or damage to the **TasNetworks assets** and any equipment and materials to be incorporated into the **TasNetworks assets**.
  - (ii) Minimum amount: Full replacement value of the **TasNetworks assets**, equipment and materials, including a reasonable amount for demolition.

- (iii) Insured: TasNetworks, and TasNetworks' contractors, must be named as insureds in respect of their interests.
  - (iv) Period required: Before the *commencement date* until *practical completion* is achieved.
- (b) Public liability insurance for TasNetworks
- (i) Cover: Legal liability of TasNetworks for loss of or damage to property, death or injury (except to the extent covered under workers compensation insurance) arising out of the performance of the *works*.
  - (ii) Minimum amount: AUD\$20,000,000 per occurrence.
  - (iii) Period required: Whilst any *works* are being performed.
- (c) Motor vehicle insurance – compulsory third party
- (i) Cover: All motor vehicles, trailers and mobile plant used in the performance of the *works*.
  - (ii) Minimum amount: As required by *Law*.
  - (iii) Period required: Whilst the motor vehicles are being used at the *site*.
- (d) Motor vehicle insurance – third party property damage
- (i) Cover: All motor vehicles, trailers and mobile plant used in the performance of the *works*.
  - (ii) Minimum amount: AUD\$20,000,000 per occurrence.
  - (iii) Period required: Whilst the motor vehicles are being used at the *site*.
- (e) Workers compensation insurance
- (i) Cover: Liability for death or injury (including occupational disease) to employees as required by *Law*.
  - (ii) Amount of cover: As required by *Law*.
  - (iii) Period required: Whilst any *works* are being performed.

## 12.2 User insurance

User must ensure the following public liability insurance is effected and maintained:

- (a) Cover: Legal liability for loss of or damage to property, death or injury (except to the extent covered under workers compensation insurance) arising out of the construction and commissioning of the *facility*.
- (b) Minimum amount: AUD\$20,000,000 per occurrence.
- (c) Period required: Whilst any works are being performed in relation to the construction or commissioning of the *facility*.

### 12.3 Contractors insurance

- (a) TasNetworks and User must each ensure that each of its contractors who:
- (i) in the case of TasNetworks, are *site based contractors*; or
  - (ii) in the case of User, carry out any works relating to construction or commissioning of the *facility*,
- effect and maintain the following public liability insurance:
- (iii) Cover: Legal liability for loss of or damage to property, death or injury (except to the extent covered under workers compensation insurance) arising out of the performance of the aforementioned works by the contractor.
  - (iv) Minimum amount: AUD\$20,000,000 per occurrence.
  - (v) Period required: Whilst the aforementioned works are being performed by the contractor.

### 12.4 Required insurers and policies

Each insurance policy required under this clause 12 must be effected and maintained with an insurer which has a minimum Standard & Poor's long term credit rating of A- (or equivalent rating with another recognised international rating agency).

### 12.5 Evidence

Each party must give the other party certificates of currency for the insurance policies required by this clause 12 within 10 *business days* after written request by the other party.

## 13. REPRESENTATIONS AND WARRANTIES

### 13.1 Representations and warranties

As at the *execution date*, each party represents and warrants to the other party that:

- (a) it is duly formed and validly existing under the *Laws* of Australia;
- (b) it has the power to execute this agreement and to perform its obligations under this agreement and has taken all necessary action to authorise such execution and performance; and
- (c) the execution and performance of this agreement does not breach any *Law* applicable to it in relation to this agreement or any provision of its constitutional documents

### 13.2 Approvals

Each party must ensure it has all *approvals* required from time to time to lawfully discharge its obligations under this agreement.

### 13.3 Continuing representations and warranties

The representations and warranties given in clause 13.1 are continuing representations and warranties, and will not merge on, and will remain in full force and effect after, the *execution date*.

### 13.4 Separate representations and warranties

Each representation and warranty given in clause 13.1 is to be treated as a separate representation and warranty in respect of each statement made and the interpretation of any statement made is not restricted by any reference to or inference from any other statement.

## 14. LIABILITY

### 14.1 Consequential loss

- (a) Subject to clause 14.1(b), to the maximum extent permitted by *Law*, in no event or circumstance shall either party be liable to the other party for:
- (i) any loss, damage or expense arising out of interruption to business, increased costs of working, loss of use of property, loss of contract or loss of production;
  - (ii) any loss of actual or anticipated profit or revenue or saving (but excluding TasNetworks' profit that forms part of the *connection charges* or other amounts payable by User pursuant to an express provision of this agreement);
  - (iii) any damage to goodwill, reputation or share price; or
  - (iv) any other indirect or consequential loss (being any loss beyond that which may fairly and reasonably be considered as arising naturally (that is, according to the usual course of things) from a breach) or special or contingent damages of any kind.

- (b) Each party's liability in respect of the following is not excluded by clause 14.1(a):
- (i) TasNetworks' liability for liquidated damages under clause 6.3 or general damages referred to in clause 6.3(c);
  - (ii) TasNetworks' liability to refund any amount overpaid by User;
  - (iii) User's liability for any **termination amount** or the **connection charges** payable under this agreement;
  - (iv) User's liability for any other charge or amount required to be paid by User to TasNetworks by an express provision of this agreement (including those provisions referred to in clause 10.1);
  - (v) User's liability pursuant to any indemnity in this agreement;
  - (vi) liability for personal injury or death;
  - (vii) liability for third party property damage; and
  - (viii) liability for fraud or **wilful default** of the party or its **associates**.

#### 14.2 Aggregate liability cap

- (a) Despite any other provision of this agreement, but subject to clause 14.2(b), the aggregate liability of each party to the other party arising out of or in connection with this agreement (however arising, including for negligence or payment of liquidated damages) is limited to \$[insert].
- (b) A party's liability in respect of the following is not limited by clause 14.2(a), and is not counted towards the limit on the party's liability under clause 14.2(a):
- (i) User's liability for any **termination amount** or **connection charges** payable under this agreement;
  - (ii) TasNetworks' liability to refund any amount overpaid by User;
  - (iii) User's liability for any other charge or amount required to be paid by User to TasNetworks by an express provision of this agreement (including those provisions referred to in clause 10.1);
  - (iv) User's liability pursuant to any indemnity in this agreement;
  - (v) liability for personal injury or death;
  - (vi) liability for third party property damage; and
  - (vii) liability for fraud or **wilful default** of the party or its **associates**.

### 14.3 Aggregate liquidated damages cap

Despite any other provision of this agreement, the aggregate liability of TasNetworks to User for liquidated damages under clause 6.3 or general damages referred to in clause 6.3(c) is limited to [insert].

### 14.4 Proportionate Liability

- (a) TasNetworks' liability under this clause 14 shall be reduced proportionally by the extent that the negligent act or omission of User or *representatives* of User contributes to any claims or damages.
- (b) User's liability under this clause 14 shall be reduced proportionally by the extent that the negligent act or omission of TasNetworks or *representatives* of TasNetworks contributes to any claims or damages.

## 15. DEFAULT PROVISIONS

### 15.1 Breach of the agreement

If a party:

- (a) fails to pay any amount payable by that party under this agreement by the due date;
- (b) fails to maintain *security* in accordance with clause 8 or provide replacement *security* in accordance with clause 9(b);
- (c) fails to remedy a breach of this agreement (other than an obligation to pay money) which is capable of being remedied, within the reasonable time (being not less than 10 *business days*) specified in a notice from the other party requiring remedy of the breach; or
- (d) breaches this agreement in a manner which is incapable of remedy and fails, within 10 *business days* (or such longer period approved by the other party), to put in place measures satisfactory to the other party (acting reasonably) to prevent recurrence of the breach and provide a written undertaking not to repeat the breach,

then a default event ("**Default Event**") will occur for that party (the "**Defaulting Party**") and the **Defaulting Party** will be in default of this agreement for the relevant **Default Event**.

## 15.2 Notice of breach

If a party is a *Defaulting Party*, the other party is entitled to serve notice on the *Defaulting Party* of the *default event* and, if after the expiration of 5 *business days* from the receipt by the *Defaulting Party* of the notice, the party requiring remedy of the breach reasonably believes that the *Defaulting Party* is still in breach of this agreement, and:

- (a) if the breach is a failure to pay an amount payable under this agreement or a failure to maintain *security* in accordance with clause 8 or provide replacement *security* in accordance with clause 9(b), the breach is not remedied by the *Defaulting Party* within a further 10 *business days* of notice from the other party; or
- (b) in the case of other forms of breach, if the breach is capable of being remedied, a remedy is not being diligently pursued; or
- (c) in the case of other forms of breach, if the breach is incapable of being remedied, steps are not being diligently pursued to prevent recurrence of the breach and a written undertaking not to repeat the breach has not been provided,

then the party who is not the *Defaulting Party* may:

- (d) suspend the performance of all or part of its obligations under this agreement until it chooses to lift the suspension or the breach is remedied; or
- (e) terminate this agreement (either as an alternative to suspension or during any period of suspension).

## 15.3 Repeat of breach

If a party repeats a breach of a provision of this agreement in respect of which it has given a written undertaking not to repeat a breach, then the party to which the undertaking has been given may:

- (a) suspend the performance of all or part of its obligations under this agreement until it chooses to lift the suspension or the breach is remedied; or
- (b) terminate this agreement (either as an alternative to suspension or during any period of suspension).

#### 15.4 Effect of insolvency

If an *insolvency event* occurs with respect to a party:

- (a) that party must immediately notify the other party that the *insolvency event* has occurred; and
- (b) the other party may terminate this agreement at any time by giving notice to the party suffering an *insolvency event*, regardless of whether notice is given under clause 15.4(a) (unless the *insolvency event* has ceased to subsist). If by *Law* a party is restrained from terminating this agreement for an *insolvency event* for a period of time, it may terminate this agreement as soon as that period of time has elapsed (unless the *insolvency event* has ceased to subsist).

#### 15.5 Termination of *IWCA*

If TasNetworks terminates the *IWCA* in accordance with its rights under that agreement it may also terminate this agreement with immediate effect.

#### 15.6 Asset Removal

- (a) If this agreement is terminated, other than by User under clause 15.2, clause 15.3 or clause 15.4, then User must reimburse TasNetworks the costs TasNetworks incurs in removing the *TasNetworks assets* from any land upon which they have been installed and in remediating that land as required by *Law* and such that it is in, so far as possible, the same condition as prior to the installation of the *TasNetworks assets*.
- (b) This clause 15.6 survives the termination of this agreement.

#### 15.7 Rights, liabilities and obligations upon termination

Termination of all or part of this agreement for any reason does not affect:

- (a) any rights of a party against another party which:
  - (i) arose prior to the time at which such termination occurred; and
  - (ii) otherwise relate to or may arise at any future time from any breach or non-observance of obligations under this agreement occurring prior to the termination of this agreement; or
- (b) the rights and obligations of the parties under clauses which are expressed to survive the termination of this agreement or which otherwise are required to survive termination to give efficacy to the clause, regardless of the reasons for the termination.

## 16. DISPUTE

### 16.1 Disputes

The parties agree that:

- (a) any *disputes* shall be settled in accordance with this clause 16;
- (b) subject to clause 16.1(c), all obligations under this agreement shall continue to be performed despite any *dispute*; and
- (c) a *dispute* does not prevent a party exercising any rights under this agreement or relieve a party of any of its obligations under this agreement.

### 16.2 Application of Rules provisions

If a *dispute* is a dispute to which the *Rules* apply that *dispute* will be dealt with in accordance with the dispute resolution regime set out in or implemented in compliance with the *Rules*.

### 16.3 All other disputes

- (a) If a *dispute* arises that is not a *dispute* to which the *Rules* apply, the parties shall comply with the provisions of this clause 16.3.
- (b) A party may give to the other party a written notice ("*Notice*") identifying the matters in *dispute*.
- (c) The parties must meet within 10 *business days* after the *Notice* has been given and attempt to resolve the *dispute*. Each party must be represented at the meeting by a person who has authority to agree to a resolution of the *dispute*.
- (d) If the *dispute* has not been resolved within 20 *business days* after the *Notice* has been given, the parties must participate in a mediation of the *dispute* in accordance with the provisions of the then current Mediation Rules as published by the Resolution Institute (or any replacement or successor body).
- (e) If the *dispute* has not been resolved within 20 *business days* after the commencement of the mediation, the parties may agree to refer the *dispute* to determination by an independent expert in accordance with clause 16.3(g) or to arbitration in accordance with clause 16.3(h) or a party may give to the other a notice referring the *dispute* to litigation. However, unless the parties agree otherwise, any *dispute* under clause 10.3 must be referred to an independent expert in accordance with clause 16.3(g).

- (f) Subject to clause 16.3(i), a party must not issue court proceedings in connection with a *dispute* unless a notice referring the *dispute* has been given in accordance with clause 16.3(e).
- (g) Where the parties agree to refer the dispute to an independent expert the expert determination will be conducted in accordance with the then current Expert Determination Rules as published by the Resolution Institute (or any replacement or successor body). The parties agree that the determination of an expert will be binding on the parties, unless a party gives written notice of an appeal within 5 *business days*.
- (h) Where the parties agree to refer the *dispute* to arbitration the arbitration will be conducted in accordance with the then current Arbitration Rules as published by the Resolution Institute (or any replacement or successor body).
- (i) Nothing in this clause 16 prevents a party seeking injunctive or declaratory relief from a court.

#### **16.4 Survival**

This clause 16 survives termination of this agreement.

### **17. CONFIDENTIALITY**

#### **17.1 Non-disclosure**

Subject to clauses 17.2 and 17.3, the information contained in, relating to or provided in accordance with this agreement and all negotiations leading up to its execution are confidential to the parties and must not be disclosed to any other person.

#### **17.2 Exceptions**

Clause 17.1 does not prevent disclosure of information by a party:

- (a) which is in the public domain or comes into the public domain otherwise than as a result of a breach by the party of its obligations under clause 17.1 provided that participants in the Tasmanian electricity industry do not of themselves constitute the public domain;
- (b) by TasNetworks to the Auditor-General of Tasmania or to TasNetworks' shareholding ministers;
- (c) where the party, acting reasonably, discloses the information in the course of legal proceedings;

- (d) to the lawyers, consultants, contractors, professional advisers, financiers or insurers to or of the party who have entered into a confidentiality undertaking with similar effect to this clause 17 or who are otherwise (by professional duty) bound by an obligation of confidentiality;
- (e) with the consent of the other party;
- (f) to the extent required by *Law* or by a lawful requirement of any *Authority* having jurisdiction over a party or its *related body corporate*;
- (g) as required to discharge its obligations under the *Rules*;
- (h) to the extent required by a lawful requirement of any stock exchange having jurisdiction over a party or its *related body corporate*;
- (i) to its *related body corporate*, who has entered into a confidentiality undertaking with similar effect to this clause 17;
- (j) in the context of the sale of shares in or the sale of, or lease of, the assets of a party, to any consultant, bank, financier, insurer or professional adviser to a prospective purchaser or lessee of the relevant shares or assets as the case may be provided the relevant person to receive the confidential information has entered into a confidentiality undertaking with similar effect to this clause 17;  
or
- (k) to the *System Operator* as required by this agreement or the *Rules*.

### **17.3 Enforcing confidentiality undertaking**

Where a party has disclosed confidential information to a person who has entered into a confidentiality undertaking pursuant to clause 17.2, that party must take all necessary steps to ensure the relevant person complies with the confidentiality undertaking.

### **17.4 Provision of information to TasNetworks' contractors**

User consents to TasNetworks disclosing to its tenderers and *works contractors* such information as is reasonably necessary to fulfil the objects of this agreement.

### **17.5 Survive expiration**

The obligations contained in clauses 17.1, 17.2 and 17.3 will survive the termination of this agreement.

## 18. ASSIGNMENT AND OTHER DEALINGS

### 18.1 TasNetworks

Subject to the *Rules*, TasNetworks may at any time transfer, assign, delegate or otherwise deal with some or all of its rights and obligations under this agreement and the powers and benefits of the relevant parts of this agreement will be exercised and enjoyed by any delegate, transferee or assignee and any subsequent successors in title in accordance with the terms of the delegation, transfer or assignment. User will on request execute any assignment or novation documentation requested by TasNetworks including a surrender of this agreement and an agreement of identical form to this agreement direct with any transferee, assignee or delegate.

### 18.2 Legislative assignments

Nothing in this clause 18 prevents or restricts any transfer or assignment of TasNetworks' rights and/or obligations under this agreement pursuant to any Act of Parliament or instrument made pursuant to such an Act.

### 18.3 User

- (a) User may with the prior consent in writing of TasNetworks transfer or assign this agreement and TasNetworks will not unreasonably withhold or delay its consent in circumstances where:
- (i) User requests the consent of TasNetworks to the transfer or assignment to the proposed assignee or transferee in writing;
  - (ii) User has provided to TasNetworks any information reasonably requested by TasNetworks regarding the proposed assignee or transferee; and
  - (iii) the proposed assignee or transferee is a responsible and solvent person with sufficient financial, business and technical capacity to successfully carry out the obligations of User under this agreement.
- (b) If TasNetworks consents to such transfer or assignment it may (in addition to any other reasonable conditions) require such transfer or assignment to be conditional upon satisfaction of each of the following:
- (i) the proposed assignee or transferee first obtaining all *approvals* required of User under all *Laws*, and the proposed assignee or transferee has otherwise complied with the requirements of the *Rules*;

- (ii) prior to any proposed transfer or assignment becoming effective:
  - (A) User or the proposed assignee or transferee pays to TasNetworks any moneys outstanding to TasNetworks under this agreement;
  - (B) where User was in default under this agreement in respect of an obligation that is to be transferred, the proposed transferee agrees to rectify that default; and/or
- (iii) the proposed assignee or transferee executing a deed of assignment or novation of this agreement in a form acceptable to TasNetworks acting reasonably.

#### **18.4 Change of Control**

- (a) User must ensure no *change of control* of User occurs without the prior written consent of TasNetworks which consent will not be unreasonably withheld or delayed.
- (b) User must reimburse TasNetworks any reasonable costs it incurs in determining whether to consent to a *Change of Control*.

#### **18.5 Assignment as Security**

- (a) User must not grant any mortgage, charge, encumbrance or *security interest* over this agreement without the prior written consent of TasNetworks (which will not be unreasonably withheld).
- (b) If requested by User, TasNetworks will (at the cost of User) negotiate in good faith the terms of a tripartite agreement between User, TasNetworks and any proposed financiers to User, provided those financiers are solvent and reputable. However nothing in this clause 18.5(b) requires TasNetworks to agree to a provision which it (acting reasonably) considers increase its risk (as compared to the level of risk under this agreement) or which may adversely affect *power system security*.

#### **18.6 Costs of assignment or novation**

The party requesting an assignment or novation of this agreement must pay the other party's reasonable costs arising out of the assignment or novation (including negotiating any documentation to give effect to the assignment or novation and considering whether to give its consent to the assignment or novation).

## 19. NOTICES

### 19.1 Form

A notice or other communication to a party under this agreement must be in writing and addressed to that party in accordance with Schedule 3.

### 19.2 Service

- (a) Notices may be served by being:
  - (i) delivered by hand at the party's then current address for service;
  - (ii) sent to the party's then current address for service by pre-paid priority mail; or
  - (iii) sent to the party's then current address for service by electronic mail.
- (b) Notice given by pre-paid priority mail is taken to be received on the third **business day** after posting.
- (c) Notice given by electronic mail is taken to be received at the time determined in accordance with the *Electronic Transactions Act 2000* (Tasmania).
- (d) A notice received by a party after 5:00 pm or on a day which is not a **business day** in the place where it is received, will be taken to have been received on the next **business day** in the place where it is received.

### 19.3 Change of contact details

A party may at any time by notice in writing to the other party designate a different person, address for service, postal address or electronic mail address and Schedule 3 will be amended to record the revised details provided the address for service and the postal address are each within Australia.

## 20. MISCELLANEOUS

### 20.1 Waiver

No failure to exercise, nor any delay in exercising, any right, power or remedy under this agreement will operate as a waiver. No single or partial exercise of any right, power or remedy will preclude any other or future exercise of that or any other right, power or remedy.

### 20.2 Entire agreement

Without limiting the application of the *User connection agreement*, this agreement constitutes the entire understanding of the parties on the subject matter and supersedes

any and all other representations or statements by either party or its *representatives*, whether oral or in writing, made prior to the date of this agreement.

### **20.3 Amendment of agreement**

Subject to clause 19.3 any amendments or alterations to this agreement must be by agreement in writing executed by both parties.

### **20.4 Severability**

Any provision of this agreement which is invalid or unenforceable in any jurisdiction is, if possible, to be read down for the purposes of that jurisdiction so as to be valid and enforceable, and is otherwise severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

### **20.5 No precedent**

Nothing in this agreement will operate or be taken by either party to be a precedent as to the form or substance of any new (or supplementary) terms and conditions or other agreement which may be entered into between the parties.

### **20.6 No third party rights**

Except as specifically provided in this agreement, the parties do not intend to create rights in or grant remedies to any third party as a beneficiary of this agreement and all covenants, stipulations, promises and agreements contained in this agreement are for the sole and exclusive benefit of the parties to this agreement.

### **20.7 Governing law**

This agreement will be governed by the laws of Tasmania.

### **20.8 Submission to jurisdiction**

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Tasmania, the Federal Court of Australia in Tasmania and courts of appeal from them for determining any *dispute* concerning this agreement.

### **20.9 Service of process**

Any document in any action may be served by delivery to the party being served at its address for service of notices as specified in accordance with clause 19.

**20.10 Counterparts**

This agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

**EXECUTED AS AN AGREEMENT**

**Signed** for and on behalf of )  
**TASMANIAN NETWORKS PTY LTD** )  
by its duly authorised officer in the )  
presence of: )

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
Signature of authorised officer

\_\_\_\_\_  
Name of witness (print)

\_\_\_\_\_  
Name of authorised officer (print)

\_\_\_\_\_  
Position of witness (print)

\_\_\_\_\_  
Position of authorised officer (print)

**Executed** by [insert] )  
in accordance with section 127 of the )  
Corporations Act 2001 )

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Name of Director (print)

\_\_\_\_\_  
Name of Director/Secretary (print)

---

**SCHEDULE 1      WORK**

This schedule sets out the work required in order to *connect* the *facility*.

**1      TASNETWORKS' WORKS**

[To be inserted]

**2      EXCLUDED WORK**

[To be inserted]

---

**SCHEDULE 2      CONNECTION CHARGE**

**[TBA]**

---

**SCHEDULE 3 CONTACT DETAILS**

**TasNetworks:** **Tasmanian Networks Pty Ltd**  
Street address: 1-7 Maria Street, Lenah Valley TAS 7008  
Postal address: PO Box 606, Moonah TAS 7009  
Nominated representative: **Iain Meaney**  
Title: **Leader Commercial Solutions**  
Phone: [insert]

**User:** [insert]  
Street address: [insert]  
Postal address: [insert]  
Nominated representative: [insert]  
Title: [insert]  
Phone: [insert]

or as most recently notified by the party under clause 19.

---

**SCHEDULE 4      ELECTRICITY INFRASTRUCTURE EASEMENT****ELECTRICITY EASEMENT AND RESTRICTION AS TO USER OF LAND**

Means:

**FIRSTLY** the full and free right and liberty for Tasmanian Networks Pty Ltd (described as “TasNetworks”) and its successors and its and their servants, agents and contractors at all times hereafter:

- (a) **TO** clear the lands marked “Transmission Line Easement      wide” on Plan of Survey      in the office of the Recorder of Titles (described as “the servient land”) and to lay, erect, construct, install and operate, in, upon, over, along and under the servient land towers, poles, wires, cables, apparatus, appliances and other ancillary work (described collectively as “electricity infrastructure”) for the transmission of electrical energy and for purposes incidental thereto.
- (b) **TO** inspect, maintain, repair, modify, add to, replace and remove the electricity infrastructure.
- (c) **TO** cause or permit electrical energy to flow or be transmitted or distributed through the electricity infrastructure.
- (d) **TO** cut away remove and keep clear of the electricity infrastructure all trees and other obstructions or erections of any nature whatsoever which may at any time overhang, encroach upon or be in or on the servient land and which may in the opinion of TasNetworks or its successors endanger or interfere with the proper operation of the electricity infrastructure.
- (e) **TO** enter into and upon the servient land for all or any of the above purposes, with or without all necessary plant equipment and machinery and the means of transporting the same, and if necessary to cross the remainder of the land, where practicable in consultation with the registered proprietor/s, for the purpose of access and egress to and from the servient land.

**SECONDLY** the benefit of a covenant for TasNetworks and its successors with the registered proprietor/s for themselves and their successors not to erect any buildings or place any structures or objects within the servient land without the prior written consent of TasNetworks or its successors to the intent that the burden of the covenant may run with and bind the servient

land and every part thereof and that the benefit thereof may be annexed to the easement hereinbefore described.

---

**SCHEDULE 5      SITE PLAN**

---

**SCHEDULE 6      APPROVALS**

---

**SCHEDULE 7      ASSUMPTIONS**

---

**SCHEDULE 8      CONDITIONS SUBSEQUENT**

<b>Condition</b>	<b>Date for Satisfaction</b>
[Insert any relevant access rights]	
[Insert any relevant approvals]	

**APPENDIX A REQUIRED INFORMATION – TO BE REVIEWED**

This Appendix A sets out the required information to be provided by User in accordance with clause 5.2 of this Agreement.

<b>ITEM</b>	<b>REQUIRED INFORMATION</b>	<b>INDICATIVE TIMEFRAME FOR PROVISION</b>
<b>1</b>	Environmental Management Plan conditions or commitments likely to impact on TasNetworks' construction activities or asset management operations.	Commencement Date or as soon as User becomes aware of any changes
<b>2</b>	Site inductions or site specific access protocols required for TasNetworks or its Contractors.	At least 14 days prior to first site access
<b>3</b>	Commissioning plans and schedules relevant to commissioning activities requiring TasNetworks involvement or support.	At least 14 days prior to commissioning
<b>4</b>	Protection settings, scan lists and data points required to facilitate commissioning and operation of the connection.	At least 14 days prior to commissioning
<b>5</b>	Key personnel contact details, such as project manager, site supervisor, HSE manager, chief of tests or commissioning manager.	Prior to satisfaction of conditions precedent